



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

January 22, 2007

Mr. Dennis Stowell, President
Silica Sand Company
285 West 200 North
Post Office Box 796
Parowan, Utah 84761

Subject: Request for Additional Information to Letter of Credit (LOC), Silica Sand Company, White Sands Project, M0210018, Iron County, Utah

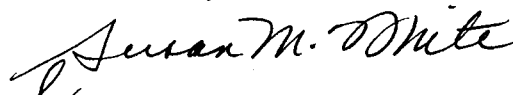
Dear Mr. Stowell:

The Division has received a fax of the Letter of Credit #156 issued by Mountain America Credit Union in the amount of \$3000.00. Because this letter of credit replaces the previously issued LOC that is administered by the BLM, then the original LOC #156 must be mailed to the BLM with a letter indicating it is replacing #155. Please request the BLM review the replacement LOC #156 and issue an acceptance letter. Because the BLM is administering this LOC, the Division will not approve the surety in the amount of \$3000.00 until the replacement LOC #156 is accepted by the BLM. Please ensure the Division is copied on all correspondence.

In the event you would like the Division to administer the LOC, you may have the credit union reissue the LOC using Division format and language. Please contact surety coordinator, Ms. Beth Ericksen, for more information. She can be reached at (801) 538-5318 or bethericksen@utah.gov.

Thank you in advance to your prompt attention to this important permitting matter.

Sincerely,


for Daron Haddock
Permit Supervisor
Minerals Regulatory Program

SMW:BE:pb

Enc: LOC #156 fax copy

cc: Doug Jensen, DOGM
Beth Ericksen, DOGM
John Baza, DOGM
Mary Ann Wright, DOGM

Steven Hyde for Cathi Stucki, Mountain America Credit Union (shyde@macu.org)

T. Kelly Dalton, ERA Realty Center, 259 West 200 North, Cedar City, Utah 84720

Ed Ginouves, BLM, (Ed_Ginouves@blm.gov) (w/enc)

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